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Dairy

Caribbean Import Market for Ice Cream and Cheese 1999

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Report Highlights:

This report highlights Caribbean market opportunities for ice cream and cheese. The region imports roughly \$11 million of ice cream per year with the Dominican Republic, French West Indies, Netherlands Antilles, and Jamaica the largest markets. The region imports approximately \$75 million of cheese products of which the United States is the third largest supplier.

Includes PSD changes: No

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Caribbean Import Market For Ice Cream and Cheese

Overview:

Caribbean imports of ice cream approach \$11 million per year (see Table 1). The US exported \$5.0 million and the Europe Union exported \$5.7 million in 1997, making them the primary extra-regional suppliers. Many islands also have domestic producers of ice cream and, for the most part, these account for the majority of domestic consumption. Because of the ever expanding Caribbean market, including high demand by tourists during the period November-May, quality ice cream makers have set up franchises on many islands that distribute directly to hotels, restaurants, large supermarkets and resorts.

The Dominican Republic is the largest import market (\$2.5 million), followed by Martinique (\$2.1 million), Guadeloupe (\$1.6 million), the Netherlands Antilles (\$1.3 million), Jamaica (\$1.2 million), Bermuda (\$0.7 million) and the Bahamas (\$0.5 million). European exports to the region are concentrated to the Dutch and French territories as well as to the Dominican Republic.

US exports to the region have been increasing rapidly, from \$2.9 million in 1993 to \$3.8 million in 1996 and \$5.0 million in 1997 (see Table 2). Jamaica, the Netherlands Antilles, and the Dominican Republic are particularly strong growth markets for US suppliers. These three markets accounted for 62 percent of US ice cream exports to the region in 1997.

Table 1: Exports of Ice Cream to the Caribbean, US\$000s, 1997

	USA	Canada	EU	Total
Jamaica	1,234			1,234
Netherlands Antilles	1,051	34	244	1,329
Dominican Republic	855	20	1,669	2,544
Bermuda	707		2	709
Bahamas	522		7	529
Aruba	241		100	341
Cayman Islands	206			206
Barbados	102		25	127
Trinidad	55			55
BVI	33			33
Haiti	9			9
Grenada	5			5
Anguilla	4			4
St. Vincent	3			3
Guadeloupe*	-		1,599	1,599
St. Lucia	-		2	2
Montserrat	-			-
Antigua	-			-
Dominica	-			-
Turks and Caicos	-			-
Martinique*	-		2,090	2,090
St. Kitts	-			-
Total	5,027	54	5,738	10,819

Source: Official export statistics of the US, the EU, and Canada

Note: * EU statistics for these markets are 1996; 1997
unavailable

Table 2: US Exports of Ice Cream to the Caribbean, US\$000s

	1993	1994	1995	1996	1997
Jamaica		31	80	583	1,234
Netherlands Antilles	788	1,086	999	625	1,051
Dominican Republic	3	265	598	829	855
Bermuda	861	1,009	926	417	707
Bahamas	581	608	419	556	522
Aruba	302	207	252	359	241
Cayman Islands	16	141	96	17	206
Barbados	54	8	70	75	102
Trinidad	67	16	33	51	55
BVI	104	88	56	58	33
Haiti		5	53		9
Grenada					5
Anguilla	5	17		24	4
St. Vincent			37	13	3
Guadeloupe		6	29	169	
St. Lucia			4	15	
Montserrat		3		3	
Antigua	74	26	6		
Dominica		5			
Turks and Caicos					
Martinique					
St. Kitts					
Total	2,855	3,521	3,658	3,794	5,027

Source: NTDB

The Caribbean import market for cheese is estimated to exceed \$75 million. The United States is only the third largest supplier, supplying only 10 percent of total import demand (or \$7.5 million in 1997), much less than that supplied by the EU (68 percent or \$50.2 million) or New Zealand (19 percent or \$13.9 million). Canada supplied roughly 3 percent (or \$2.2 million) of import demand in 1997. See Table 3.

Eighty percent of US exports to the region are destined for the Dominican Republic, Bermuda, the Bahamas, and Jamaica. Of these countries, however, only in Bermuda does the US have the highest market share. While the US may have a low market share at present, US exports to the region have been growing rapidly (see Table 4). Exports in 1993 of \$3.3 million grew to US\$5.2 million in 1996 and US\$7.5 million in 1997. In 1997, US cheese exports were comprised of \$0.6 million of fresh cheese, \$1.6 million of grated/powdered cheese, \$2.7 million of processed cheese other than grated/powdered, and \$2.6 million of other cheese. See Table 5.

Table 3: Exports of Cheese to the Caribbean, US\$000s, 1997

	USA	Canada	EU	New Zealand	Total
Dominican Republic	1,929	25	2,508	65	4,527
Bermuda	1,260	-	409	370	2,039
Bahamas	1,185	1,284	688	213	3,370
Jamaica	888	313	92	8,663	9,956
Trinidad	734	602	805	3,257	5,398
Haiti	471	-	1,591	-	2,062
Barbados	305	-	471	^	776
Aruba	249	-	3,114	^	3,363
Cayman Islands	238	-	2	17	257
Netherlands Antilles	86	-	6,892	^	6,978
St. Lucia	78	-	1,084	480	1,642
St. Vincent	36	-	355		391
Turks and Caicos	20	-	-	-	20
Dominica	14	-	669	-	683
St. Kitts	11	-	170	-	181
Guadeloupe*	7	-	14,511	-	14,518
Antigua	4	21	459	^	484
BVI	-	-	1	^	1
Martinique*	-	-	16,272	-	16,272
Grenada	-	-	62	802	864
Anguilla	-	-	-	^	-
Montserrat	-	-	2	-	2
Total	7,515	2,245	50,157	13,867	73,784

Source: Official export statistics of the US, the EU, and Canada

Notes: * EU statistics for these markets are from as 1997 is unavailable; ^ New Zealand data unavailable

Table 4: US Exports of Cheese to the Caribbean, US\$000s

	1993	1994	1995	1996	1997
Dominican Republic	356	753	1,253	1,424	1,929
Bermuda	1,020	1,067	1,149	1,117	1,260
Bahamas	450	262	475	321	1,185
Jamaica	208	265	515	798	888
Trinidad	156	398	391	323	734
Haiti	60	40	225	385	471
Barbados	27	73	148	118	305
Aruba	412	380	369	345	249
Cayman Islands	16	63	44	41	238
Netherlands Antilles	390	329	167	175	86
St. Lucia	3	20	40	66	78
St. Vincent			18	10	36
Turks and Caicos	106	37	16	3	20
Dominica	12				14

	1993	1994	1995	1996	1997
St. Kitts	25				11
Guadeloupe		13	20	6	7
Antigua			8		4
BVI		5	3	15	
Martinique	30	7	4	4	
Grenada	4		13		
Anguilla					
Montserrat					
Total	3,275	3,712	4,858	5,151	7,515

Source: NTDB

Table 5: US Exports of Cheese to the Caribbean, US\$000s, 1997

	1993	1994	1995	1996	1997
HS 040610 -- Fresh cheese (including whey cheese) and curd	46	246	391	342	642
HS 040620 -- Grated or powdered cheese	528	671	1,000	832	1,606
HS 040630 -- Processed cheese (excl. grated and powdered)	579	871	1,703	1,685	2,687
HS 040690 -- Cheese, not elsewhere specified	2,121	1,925	1,764	2,292	2,582
Total	3,274	3,713	4,858	5,151	7,517

Source: NTDB

Processed cheese in particular is popular with consumers. The US faces stiff competition in the cheese market because of subsidized cheese coming from Europe and New Zealand. However large cheese manufacturers in the US have been able to increase sales of their processed cheese products as they have a longer shelf life than anything coming from Europe. The Europeans tend to export fresh whole blocks of cheese like Gouda, Brie and Roquefort, and New Zealand exports cheese blocks made from cow's milk. The New Zealanders have established partnerships in Jamaica now where their whole blocks of cheese get sliced, packaged and delivered by local distributors adding new competition to US processed cheese products.

Jamaica

Current Suppliers. The US dominates ice cream imports with a 97 percent import market share in 1998 (see Table 6). The only major competition comes from domestic producers. Jamaica imported \$1.4 million worth of ice cream and edible ice in 1997. Premium or specialty brands of ice cream are the main type of import from the US.

Table 6: Jamaican Imports of Ice Cream and Edible Ices, 1997

	US\$ 000s	Share	MTs	Share
US	1,317	96%	587	97%
Barbados	37	3%	14	3%
Canada	7	1%	1	0%
Trinidad & Tobago	6	0%	3	0%

	US\$ 000s	Share	MTs	Share
Total	1,367		605	

Source: Statistical Institute of Jamaica

Jamaica imported \$13.7 million or 4,736 MTs of cheese in 1997 (see Table 7). New Zealand dominated the import market with an 85 percent import market share by volume, followed by the US (10 percent), and Canada (2 percent). The market has done very well for cheese in the past few years owing to the rise in popularity for snack foods such as cheese dips, cheese slices and other processed cheese products.

Table 7: Jamaican Imports of Cheeses, 1997

	US\$ 000s	Share	MTs	Share
New Zealand	11,153	81%	4,027	85%
US	1,779	13%	478	10%
Canada	324	2%	103	2%
Australia	152	1%	38	1%
St. Helena	98	1%	58	1%
Ireland	80	1%	15	0%
Netherlands	34	0%	5	0%
Mexico	29	0%	5	0%
Denmark	17	0%	3	0%
Japan	15	0%	4	0%
UK	7	0%	<1	0%
TOTAL	13,688,281		4,736	

Source: Statistical Institute of Jamaica

Distribution and Sales Channels. A number of US ice cream and cheese companies have entered the Jamaican market through franchises or distributorship arrangements. The Jamaican market is now quite familiar with brands such as Haagen Dasz, Baskin Robbins and Kraft. The marketing of many branded US products is assisted by advertising programs of US companies. The fast food sector has grown rapidly and is still expanding in Jamaica. Ice cream and processed cheeses are in high demand in this sector of the market. Exporters would benefit from developing strong relationships with Jamaican importers.

There are two common distribution channels for imported dairy products in Jamaica: distributors/importers and direct buying by retailers. Larger supermarkets and some hotels import their own products. This helps them to be more price competitive and has worked well where the purchasing is being done for a group. Individual supermarkets, hotels, restaurants and institutions purchase from the local importers/distributors.

Table 8: Ice Cream and Cheese Products Seen for Sale at Selected Kingston Supermarkets

Product	Brand Name	Weight	Price (J\$)	Price (US\$)
Ice Cream				
Vanilla Sugar Free – US	Haagen Dasz	476 ml	149.99	4.14
Vanilla – Jamaica	Cremo	32 oz	200.00	5.52
Grapenut – Jamaica	Cremo	1.75 l	190.00	5.24
Rainbow Flavour – Jamaica	Cremo	1.75 l	200.00	5.52
Vanilla – Jamaica	Buckingham	1.75 l	190.00	5.24
Rum & Raisin – Jamaica	Buckingham	32 oz	200.00	5.52

Hazlenut – US	Haagen Dasz	1.45 l	205.99	5.68
Peach – US	Haagen Dasz	1.75 l	200.99	5.54
Peach – Jamaica	Devon House	1.45 l	205.99	5.68
Cheese				
Slices – US	Kraft	170 g	73.60	2.03
Tin – Jamaica	Grace	1 kg	272.99	7.53
Tin – Jamaica	Island Dairies	1 kg	260.99	7.20
Pack – US	Philadelphia	227 g	73.90	2.04
Tin – Jamaica	Tastee	1 kg	262.99	7.25
Pack – Jamaica	Chesdale Cheddar	454 g	126.50	3.49
Slice – Jamaica	Anchor	454 g	159.90	4.41
Slice – UK	Kerry Gold	170 g	68.30	1.88
Cream Cheese – US	Philadelphia	227 g	83.00	2.29

Source: On-site survey, December 1998

Note: Exchange rate (US\$ 1.00 = J\$ 36.25)

Consumer Preferences. The most popular local ice cream is Cremo and is much cheaper than the premium ice creams that get imported (Haagen Dazs). Nevertheless, there has been a greater demand for foreign brands especially from the resorts. Local brands also do better because they appeal to lower end clients. One can purchase almost two liters of local ice cream for almost the same amount as half a liter of foreign ice cream.

According to retailers, most of the cheese sold in stores is processed. This includes not only recognized brands such as Kraft from the US, but also New Zealand brands of processed golden cheddar that are very popular with consumers. Some New Zealand cheddar is canned in Jamaica and is distributed with a local brand label (Tastee). Most cheese is sliced and pre-packaged for consumers. Deli style cheese counters are not generally available in shops in Jamaica. Some European cheese (Gouda and Roquefort) is sold but it is too expensive for most Jamaicans.

Regulatory Requirements. Products imported into Jamaica must meet the requirements of the Jamaican Bureau of Standards Act, Processed Food Act and Weights and Measures Act. These include requirements for labeling. Items sold in Jamaica must conform to recognized international quality specifications. Jamaica generally follows US standards. In recent years, the Bureau has become increasingly vigilant in terms of monitoring the quality of products sold on the local market.

Tariffs and Other Import Duties. As a member of the Caribbean Community, the Jamaican government applies CARICOM's Common External Tariff (CET) to all goods and services imported into the country from non-CARICOM sources.

The following duties and fees apply to Jamaican imports:

1. Standard tariff rate (see Table 9), which is levied against CIF value;
2. Stamp tax (see Table 9), applicable on certain products, which is levied against the sum of the CIF value and standard tariff amount;
3. General Consumption Tax (applicable on certain products) which is levied against the sum of the CIF value and the first two duties (see Table 9); and
4. Jamaican Customs "users fee" of J\$100 (under US\$3) on all import shipments.

Table 9: Jamaican Tariffs and Fees for Ice Cream and Cheese

Product	Import Duty	Additional Stamp Duty	General Consumption Tax
Ice Cream	25	-	15
Edible Ice	25	-	15
Cheese, in packages of 1 KG or more	5	-	-
Curd	5	-	15
Cheese, not elsewhere specified	5	-	15

Source: Jamaica Customs Integrated Tariff, 1996

Netherlands Antilles

Current Suppliers. Curacao imported \$317 thousand or 93 MTS of ice cream in 1998 (see Table 10). The US is the main supplier with a import market share (by volume) of 4 percent, followed by Belgium (30 percent) and the Netherlands (25 percent). There is also domestic ice cream production. Imported premium brands, which also supply the tourist trade, include Haagen Dazs, Bordens and Ola from Holland. Imports into the other islands comprising the Netherlands Antilles (primarily St. Maarten and Bonaire) are probably double that being imported into Curacao.

Table 10: Curacao Imports of Ice Cream and Edible Ices, 1997

	US\$	Share	KG	Share
US	144,899	46%	40,647	44%
Netherlands	90,564	29%	23,391	25%
Belgium	79,729	25%	28,388	30%
Other	1,344	0%	647	1%
Venezuela	259	0%	138	0%
TOTAL	316,795		93,211	

Source: Central Bureau of Statistics, Netherlands Antilles

The Netherlands Antilles imported nearly \$7 million of cheese in 1997 (see Table 11). The Netherlands dominated the market with a 77 percent share, followed by New Zealand (12 percent) and the US (9 percent). Political ties between the islands and the mother country guaranteed a market share for the classic Gouda, but cheaper more generic brands of cheese from the Netherlands were also popular amongst consumers. The US primarily exported processed Kraft singles to the Netherlands Antilles.

Table 11: Netherlands Antilles Imports of Cheeses, 1997

	US\$	Share	Kg	Share
Netherlands	5,679,921	81%	1,211,112	77%
New Zealand	808,512	12%	185,707	12%
US	392,886	6%	143,578	9%
Denmark	81,219	1%	23,429	1%
Venezuela	16,430	0%	14,193	1%
Italy	7,489	0%	608	0%
Belgium	10	0%	20	0%
Total	6,986,466		1,578,647	

Source: Central Bureau of Statistics, Netherlands Antilles

Distribution Channels. As an alternative to the use of an agent for the distribution to the local market, a foreign

company is allowed to set up one or more branches, provided a franchise license to open the new business is obtained. A branch has no separate legal existence but in other respects it has similar status to a corporation. It must be registered with the Commercial Register held by the local Chamber of Commerce and Industry.

Supermarkets account for an estimated 50 percent of retail food sales and there are over 100 small stores or “mini-markets” located throughout the island for convenience purchases. Price is the determinant factor behind the increase in the supermarket sector, as the small stores cannot compete with the low prices and product diversity offered by the supermarkets. Smaller businesses may survive by carrying a selected number of products for more niche markets, but the trend toward supermarket growth is expected to continue.

Consumer Preferences. The Netherlands Antilles is keen to promote its domestic ice cream production, so imports are generally of premium ice cream from the US, Holland and Belgium. Cheese, on the other hand, is imported from a variety of countries including the US, Holland, Denmark and New Zealand. Dutch cheese (e.g Gouda) is prevalent at all the markets, but US processed cheese is convenient and cheap. However, since price is generally not an issue with consumers, retail vendors are often challenged to provide new varieties. Samples of cheese at the supermarkets is a very popular way of promoting product in the Netherlands Antilles.

Table 12: Ice Cream and Cheese Products Seen for Sale at Selected Curacao Supermarkets

Product	Brand Name	Pack	Price (NA Guilder)	Price (US\$)
Ice Cream				
Ice cream – Local	Lovers	½ gallon	12.99	7.26
Diet ice cream	Lovers	1 quart	9.59	5.36
Ice cream - Local	Lovers	1 quart	6.89	3.85
Ice cream - Local	Lovers	1 pint	3.79	2.12
Ice cream – Local	Lovers Premium	1 pint	6.15	3.44
Ice cream - Local	Ritz	1 quart	6.75-8.50	3.77-4.75
Ice cream – Local	Ritz	1 pint	4.25-4.35	2.37-2.43
Ice cream - Local	Ritz	½ gallon	14.40	8.04
Vanilla – USA	Healthy Choice	1 quart	10.16	5.68
Ice cream – NL	Ysboerke	1 l	13.65	7.63
Côte d’Or – NL	Ola	1 l	9.65	5.39
Applecrunch – NL	Att	1 l	7.35	4.11
Vienetta – NL	Ola	1 l	8.10	4.53
Ice cream – NL	Att	1 l	6.35-7.80	3.55-4.36
Ice cream – NL	Ysboerke	1 l	13.65	7.63
Ice cream – NL	Ysboerke	2.5 l	22.50	12.57
Cheese				
Whole gold cheese – NL	Kleester	Lb	52.92	29.56
Natural whole – NL	Aerobic	Lb	67.26	37.58
Gouda whole – NL	Van Tol	Lb	29.21	16.32
Baby whole – NL	Edammer	Kg	11.60	6.48
2% milk singles – USA	Kraft	12 oz	5.10	2.85
Fat free singles – USA	Kraft	16 oz	6.80	3.80
Singles – USA	Kraft	8 oz	3.65	2.04
Singles – USA	Kraft	12 oz	6.55	3.66

Singles – USA	Kraft	24 oz	8.95	5.00
Deluxe – USA	Kraft	6 oz	3.35	1.87
Paiza cheese	No Brand Name	Kg	14.00	7.82
Llanero cheese	No Brand Name	Kg	15.00	8.38
Cheese spread – NL	Goudkuupje	100g	1.05	0.59
Long blegen (young natural cheese) – NL	No Brand Name	Kg	11.05	6.17
Parmesan grated – USA	Kraft	1 lb	11.24	6.28
Old cheese – NL	No Brand Name	Kg	13.35	7.46
Young cheese – NL	No Brand Name	Kg	9.10	5.08
Young cheese whole – NL	Gouda	Per piece	26.95	15.06
Old cheese whole – NL	Gouda	Per piece	39.86	22.27
Belgen (matured) – NL	No Brand Name	Per piece	29.71	16.60
Cheese slices – USA	Kraft Monterey Jack	1 pack	3.39	1.89
Cheese slices – USA	Borden	8 oz	5.25	2.93
Cheese slices – USA	Borden	12 oz	7.20	4.02
Matured cheese – NL	No Brand Name	Kg	11.00	6.15
Young cheese – NL	No Brand Name	Kg	7.87	4.40
Young matured – NL	No Brand Name	Kg	9.90	5.53
“Komyyn” cheese – NL	No Brand Name	Kg	10.88	6.08
Old matured cheese – NL	No Brand Name	Kg	11.90	6.65
Old cheese – NL	No Brand Name	Kg	12.90	7.21

Source: On-site survey, December 1998

Note: Exchange Rate (US\$ 1.00 = NA Guilder 1.79)

Import Requirements. Separate health regulations are being developed for ice cream and cheese, and will make up a new Food Act to be published in 1999. For more information please contact the Geneeskundige- en Gezondheidsdienst (Public Health Authority), Piscaderaweg 49 (Tel. 011-5999-625800).

At Customs, an importer is required to provide two invoices and, if registration is required, a third invoice is required for the Department of Economic Affairs. An invoice should state the value of the good (f.o.b. or c.i.f.) and other normal commercial information such as marks, numbers, consignee's names, etc. Four copies of the bill of lading are required, showing the name of the shipper, name and address of consignee, port of destination, description of goods, listing of freight and other charges, number of bills of lading in the full set, and date and signature of the carrier's official acknowledgment of receipt on board of the goods for shipment.

Tariffs and Duties. The Netherlands Antilles levies two different import duties: a standard duty rate against the c.i.f. value of a product and an “economic levy” which applies to products competing against locally produced goods. There is no import duty for cheese. The import duty for ice cream is 22 percent (calculated on the c.i.f. value). There is also an economic levy of NA Guilders 2.30 (about US\$1.28)/liter of ice cream. In principal temporarily imported goods such as samples are exempt from customs duties. Customs clearance is however always required.

Bermuda

Current Suppliers. The US dominates the Bermudan market for ice cream, supplying over 99 percent of 1997 imports of \$1.0 million (see Table 13). Much smaller amounts also enter from Canada and the UK.

Table 13: Bermuda Imports of Ice Cream and Edible Ice, 1997

	US\$	Share
US	1,041,284	99%
Canada	4,688	1%
UK	1,303	<1%
Total	1,047,275	

Source: Bermuda Government Statistics Department

Official Bermudan import statistics do not disaggregate cheese imports from dairy imports. However, based on export statistics from supplying countries, the Bermudan import market is estimated to exceed \$2.0 million (see Table 3). The US supplies roughly 62 percent of import demand (by value), followed by the EU (20 percent), and New Zealand (18 percent).

Distribution Channels. Many of the supermarkets on Bermuda also function as wholesalers, selling on to other supermarkets, hotels and restaurants. Bermuda's supermarkets include The Marketplace, Arnold's, Lindo's Family Foods, The Supermart, and White's.

There are several smaller supermarkets which do their own importing as well as buying from island distributors including Butterfield Vallis, BGA Group, A. C. Brewer Distributors and Viking Food Ltd. In addition to the retail sector, these groups also handle food distribution for hotels, restaurants and institutions.

Table 14: Ice Cream and Cheese Products Seen for Sale at Selected Bermudan Supermarkets

Product	Brand Name	Pack	Price (B\$=US\$)
Ice Cream			
Bermuda Creamery	Local	½ gallon	5.85
Haagen Dazs	US	1 pint	3.50
Dove Bars	US	1 pint	--
Klondike Bars	US	--	--
Breyer's	US	½ gallon	--
Cheese			
Portuguese	Sao Jorge	1 lb	6.99
Red Leicester	UK	1 lb	4.85
Cheddar – US	Kraft Singles	12 oz	3.00
Parmesan – US	Kraft shredded	3 oz	1.50
Sharp cheddar – US	Kraft shredded	8 oz	2.00
Mozzarella – US	Kraft shredded	8 oz	2.00
Caerphilly – US	Perdue	1 lb	4.85
Cheddar – US	Cracker Barrel	8 oz	4.85
Gouda – NL	No Brand Name	--	--

Source: Onsite survey, December 1998

Note: Exchange rate (B\$ 1.00 = US\$ 1.00)

Consumer Preferences. The only domestic producer of ice cream is the Bermuda Creamery. Until recently there was one other local competitor, Simmons, who produced high quality sorbet, but they were bought out by the Bermuda Creamery. One retailer estimated that Bermuda Creamery ice cream controls 90 percent of the market because of its good quality yet lower price.

The majority of cheese imported is processed cheese like Kraft. Golden cheddar cheese from New Zealand is very popular with consumers at the moment; consumers refer to it as 'rat cheese'. Cracker Barrel's cheddar is actually considered of a higher quality and longer lasting than most other cheddar, but consumers prefer 'rat cheese' that is imported in large blocks and cut at the deli counter.

Import Requirements. Provided the ice cream or cheese to be imported into Bermuda conforms with the Pure Food or Drug Act of the country of origin, it is acceptable in Bermuda. There is no Bermuda regulation about labels; a label adequate in country of manufacture will be suitable. Labels need not show country of origin, although this must be shown on shipping papers.

Tariffs and Duties. Ice cream and other edible ice are subject to a 22.25 percent import duty. There is zero duty on cheese. In addition, all imported goods are also assessed a "wharfage tax," that includes an additional charge of 1.01 percent of value for use of the dock or airport of entry. There are no VAT or stamp taxes for goods imported into Bermuda.

Regular importers can apply for Standing Deposit Entry or Deposit Entry status from the Civil Air Terminal, allowing the importer to pay a deposit up-front towards customs fees. This facilitates quick customs clearance and collection of goods.

Bahamas

Current Suppliers. The Bahamas imported nearly \$2.0 million of ice cream and edible ice in 1997, an increase of 58 percent in value and by 68 percent in volume over 1996 levels (see Table 15). The US supplied virtually all imported product, although the US does face some competition from local producers.

According to Bahamas import statistics, 2.2 million kilograms of cheese was imported in 1997 with a total value of \$6.7 million (see Table 16). This was an increase of 18 percent in volume and 13 percent in value from 1996 levels. The US had 90 percent of the total import market share according to Bahamian statistics, although since the Bahamas counts all product shipped from the US as US product (even if transhipped), this import market share is erroneous. Based on export figures of major suppliers (see Table 3), the US is estimated to have about 35 percent of the import market, with Canada holding 38 percent. Other major suppliers include the EU (20 percent) and New Zealand (6 percent).

Table 15: Bahamas Imports of Ice Cream and Edible Ices, 1997

	US\$	KG	Share
US	1,953,657	1,043,738	100%
Jamaica	509	455	<1%
Total	1,954,166	1,044,193	

Source: Bahamas Department of Statistics

Table 16: Bahamas Imports of Cheese, 1997

	US\$	Share	KG	Share
US	6,086,063	90%	1,951,788	89%
Canada	304,266	4%	98,951	5%
UK	171,266	3%	45,470	2%
New Zealand	155,152	2%	61,941	3%
Ireland	38,129	1%	11,035	1%
Puerto Rico	482	<1%	36	<1%

France	179	<1%	9	<1%
Jamaica	13	<1%	1	<1%
Total	6,755,550		2,169,232	

Source: Bahamas Department of Statistics

Distribution Channels. The distribution structure in the Bahamas for ice cream and cheese reflects the relatively small size of the country. Exporters to the Bahamas will find that most importers are island-based supermarket owners. Otherwise these products are imported directly by the hotels and resorts. The three major grocery store chains are City Markets (owned by US-based Winn Dixie), Super Value, and John Chea and Sons. They are the major sellers of ice cream and cheese because of the necessity for an adequate cold chain that most smaller retail outlets cannot provide.

Table 17: Ice Cream and Cheese Products Seen for Sale at Selected Bahamian Supermarkets

Product	Brand Name	Weight	Price local
Ice Cream			
Dairy Maid	Local	½ gallon	4.78
Superbrand vanilla	Local	½ gallon	3.28
Prestige (all flavors)	Local	½ gallon	4.78
Breyer's vanilla light	US	½ gallon	4.98
Breyer's mint chocolate chip	US	½ gallon	6.69
Cheese			
Sharp Cheddar – US	Kraft	8 oz	2.58
Monterey Jack – US	Kraft	8 oz	2.78
Medium Cheddar – US	Kraft	8 oz	2.58
Extra Sharp – US	Cracker Barrel	10 oz	3.45
Barley Swiss – US	Cracker Barrel	10 oz	3.45
Sharp 2% reduced fat milk – US	Cracker Barrel	10 oz	3.18
American White 16 slices – US	Kraft	16 slices	3.49
Singles – US	Kraft	16 slices	3.68
Fat free – US	Kraft	16 slices	3.98
Singles – US	Superbrand	16 slices	2.28
Singles – US	Superbrand	24 slices	2.78
Mozzarella – US	Superbrand	16 slices	3.58
Swiss – US	Superbrand	16 slices	3.68
Singles – US	Borden's	16 slices	2.68
Fat free – US	Borden's	16 slices	3.48

Source: Onsite surveys, December 1998

Note: Exchange rate (B\$ 1.00 = US\$ 1.00)

Consumer Preferences. Several importers and retailers have struck up agreements with large cheese and ice cream manufacturers in the US including Kraft, Borden's and Haagen Dazs. Even local consumers prefer US brands of ice cream and are also willing to pay higher prices.

At least 90 percent of the cheese sold on the island is processed cheese. Cow's milk cheese from New Zealand is gaining in popularity and a few air freight shipments have arrived in the past year. Also some exclusive resorts have insisted on buying European cheeses to please their clientele, although one importer stated that demand is too small to establish a regular import cycle. Some cheddar also comes from the UK, Ireland and Canada.

Import Requirements. Since most food imports are brought in from the US, local food restrictions in the Bahamas are not extensive and US quality standards are generally followed. For imports of ice cream and cheese into the Bahamas, no import permit is needed.

Tariffs and Duties. All cheese and curd are charged a 10 percent duty on c.i.f. value. Ice cream and other edible ice is charged a higher duty of 35 percent. In addition to these tariff rates, there exists a stamp tax of 2 percent on c.i.f. value.